

September 24, 2009 - Murtha Statement on the new Air Force Refueling Tanker Contract

WASHINGTON, D.C. -- Congressman John P. Murtha, Chairman of the House Appropriations Subcommittee on Defense, issued the following statement today in response to the latest Air Force refueling tanker contract:

“Every combatant commander that I have spoken with says that their number one priority is the replacement of the KC-135 aerial refueling fleet. We must act promptly to recapitalize the aging fleet and to get tankers into the air as soon as possible.

“The Committee believes that it is in the best interest of the taxpayer to build 36 aircraft per year, versus the 15 per year as planned by the latest proposal. This quantity will allow for a rapid retirement of the aging fleet, avoidance of billions of dollars in maintenance and modernization costs, and will provide our airmen with a safe and modern aircraft that is essential to current and future operations.

“The Air Force’s latest process appears to be both open and less subjective. After eight years, we can finally get on with this program. We look forward to working with the Department to expedite both the process and the replacement of the current fleet.”

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Below is the report language on the tanker in the FY10

House Appropriations Bill:

AERIAL REFUELING TANKER REPLACEMENT PROGRAM

The Committee firmly believes that the Department must act promptly to recapitalize the aging Air Force aerial refueling fleet. The Department's current program has been beset with countless setbacks, from allegations of corruption to a protest of the previous source selection decision. In the meantime, our nation's aerial refueling tankers continue to age, with the average age of a KC-135 being almost 50 years old today. The aerial refueling replacement program (KC-X, KC-Y and KC-Z) plans to procure between 12 and 15 aircraft per year to eventually replace the current fleet of 513 aircraft. This method of recapitalization will take decades to complete, with the current fleet of Eisenhower-era tankers being 80 years old by the time the last legacy aircraft is retired. During this period, the Air Force will invest billions of taxpayer dollars in maintenance of an ever aging and increasingly unreliable fleet. Based on studies conducted by the Department of Defense, total fleet costs are anticipated to increase from \$2.1 billion per year to \$3 billion per year by 2040 due to increasing depot maintenance and forecasted modernization programs in avionics and aircraft systems. Additionally, the Department anticipates depot maintenance costs increasing from \$320,000,000 to \$1,100,000,000 in 2040 due to aging aircraft related maintenance. Never in the history of our Nation has the military purposely planned to maintain aircraft past 50 years, much less 80 years of operation so even these estimates may understate the actual cost. In addition to the cost of maintaining the aging tanker fleet, the cost per flying hour of a new tanker is almost half the cost of the existing fleet. The lower cost per flying hour alone will save the taxpayer \$1,795,500,000 per year for a fleet of 513 aircraft (current total aircraft inventory) or \$3,500,000 per plane per year replaced.

To address these concerns, the Committee recommendation includes a general provision providing \$439,615,000 and the option for choosing one vendor or dual sourcing for the aerial refueling Tanker replacement program. Along with this authority, the Committee believes that it is in the best interest of the taxpayer to pursue recapitalization at a rate of 36 aircraft per year vice 12 or 15 aircraft. This quantity will allow for recapitalization in one-third the time and thus allow for a rapid retirement of the current KC-135 aircraft. This plan will result in avoiding a large sustainment and modernization cost of the legacy KC-135 fleet by allowing them to retire earlier than is currently programmed. Additionally, having more than one aircraft provider will allow for competition to help control the procurement cost, promote cost reduction measures, and allow for a faster aircraft replacement rate.

Further, the Committee directs the Secretary of Defense to, prior to the release of a draft or final request for proposal soliciting bids for an aerial tanker replacement aircraft, submit a report to the congressional defense committees that includes a

description of key mission requirement and performance parameters that will be used as the basis for determining the key selection criteria in the source selection process; a full and complete characterization and definition of "best value"; a description of the process that the Department of Defense intends to use to ensure open, balanced and transparent communications with potential offerors; and a full description of the corrections made to the source selection process that addresses the issues raised by the Government Accountability Office in its "Statement Regarding the Bid Protest Decision Resolving the Aerial Refueling Tanker Protest by the Boeing Company, B311344 et. al, June 18, 2008".